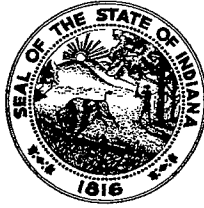


STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE
PHONE (317) 232-3775
FAX (317) 232-8779



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058 (B)
INDIANAPOLIS, IN 46204

November 20, 2007

Carol McDaniel
LaPorte County Assessor
555 Michigan Avenue, Suite 204
LaPorte, Indiana 46350

Dear Ms. McDaniel,

This is a follow-up to the telephone conversation we had on November 7, 2007. Present during the telephone conference were you, LaPorte County Attorney Shaw Friedman, LaPorte County Auditor Teresa Shuter, and LaPorte County Treasurer Ken Layton. I want to make sure all parties involved in that telephone conference are in complete agreement as to the contents of that conversation. A recent newspaper article published on November 14, 2007 in the Michigan City News Dispatch had led me to believe there is apparently a misunderstanding of what was said and discussed during our telephone conversation. The newspaper article states that you said "an effort by Long Beach homeowner Bill Wendt to have the state delay approval of 2007 property tax rates and conduct a new assessment has been rejected by the DLGF." That is an inaccurate statement and does not fairly summarize the telephone conversation from November 7, 2007.

The intent of this letter is to accurately summarize the substance of the November 7, 2007 telephone conference call to avoid any future misinterpretation of what was discussed. First, the Department of Local Government Finance (the "Department") is currently reviewing the Denne ratio study, which was provided to the Department on October 19, 2007 by LaPorte County property owner Bill Wendt, analyst Bob Denne, and Mr. Wendt's Indianapolis attorney, Tom Atherton. The Denne study was provided to you via email on November 7, 2007. During the telephone call, I issued to the county an opportunity to review and refute the study. I set an initial deadline of December 7, 2007, which was then changed at the request of county officials to December 8, 2007.

However, after some thought and recognition that December 8 is a Saturday, I hereby extend the county's deadline to submit their response to the Department of the Denne ratio study by close of business on Monday, December 10.

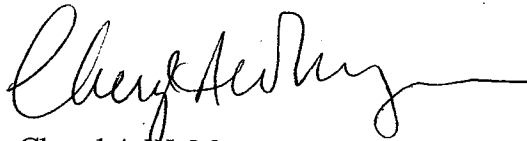
Second, the Department approved LaPorte County's 2007 budget order on November 7, 2007. However, a reassessment order from the Department remains a possibility. Whether a reassessment order will be issued depends upon what the Department's analysis of the Denne study indicates, and what LaPorte County submits to the Department by the close of business on Monday, December 10, 2007.

I want all LaPorte County officials to be aware that if an order to reassess all real property is issued in LaPorte County for the March 1, 2006 assessment date, the 2007 certified tax rates, the 2006-pay-2007 assessed valuations, and 2006-pay-2007 tax bills would have to be voided.

The following information was not covered during the telephone conversation on November 7, 2007; however, it is important and must be raised in this letter. In order to ensure fair, just, and accurate assessments in LaPorte County, the County, the Department, and Mr. Wendt must analyze and review the exact same data. Thus, the Department will need access to the data used by the County to create its rebuttal to Mr. Denne's ratio study. We will also be requesting the data Mr. Wendt used for the Denne ratio study.

If you feel the above information failed to capture any portion of our conversation, or mischaracterized anything that was discussed, please feel free to contact the Department's General Counsel, Timothy J. Rushenberg, at (317) 233-6770.

Sincerely,

A handwritten signature in black ink, appearing to read "Cheryl A.W. Musgrave", with a long horizontal flourish extending to the right.

Cheryl A.W. Musgrave
Commissioner

cc: Tom Atherton
Shaw Friedman